



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

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August 19, 2014

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**ADOPTION OF RESOLUTION APPROVING AND AUTHORIZING THE RELEASE OF A REQUEST
FOR QUALIFICATIONS AND SUBSEQUENT REQUEST FOR PROPOSALS FOR
DEVELOPMENT OF A MEDICAL OFFICE BUILDING AT THE MARTIN LUTHER KING, JR.
MEDICAL CENTER CAMPUS
(SECOND DISTRICT)
(3 VOTES)**

SUBJECT

Request for adoption of the Resolution approving and authorizing the release of a Request for Qualifications and a subsequent Request for Proposals to solicit responses from developers interested in developing a proposed approximately 50,000 square-foot medical office building to be located on the Martin Luther King, Jr. Medical Center Campus in Willowbrook.

IT IS RECOMMENDED THAT THE BOARD:

Adopt the Resolution: (a) approving and authorizing the issuance by the Chief Executive Officer of a Request for Qualifications to solicit developers interested in developing a proposed medical office building on County-owned property at the Martin Luther King, Jr. Medical Center Campus; (b) delegating to the Chief Executive Officer the authority to: i) evaluate the qualifications of the responsive proposers, and ii) issue a Request for Proposals to those proposers that the Chief Executive Officer determines are best qualified; and (c) authorizing the Chief Executive Officer to return to the Board with a recommendation to enter into exclusive negotiations for a long-term ground lease with the selected proposer or proposers.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the Request for Qualifications (RFQ) is to identify a limited list of candidates

(Proposers) interested in developing a proposed approximately 50,000 square-foot medical office building on the Martin Luther King, Jr. (MLK) Medical Center Campus (Medical Campus) in the unincorporated community of Willowbrook. The County is seeking proposals for the proposed Project that should include facilities that can support a variety of medical uses, including space for specialty physicians, labs, outpatient testing, physical therapy, durable medical equipment, chronic care treatment facilities (such as dialysis), and other health related services that will operate in coordination with the new MLK Community Hospital and the Outpatient Care Center.

Proposed development of a medical office building would serve two objectives: (1) to equip the MLK Medical Campus with facilities that support planned and existing inpatient and outpatient services provided at the new MLK Community Hospital and the Outpatient Care Center; and (2) to provide patients with an integrated system of care that guides and tracks patients over time through a comprehensive array of health services.

Implementation of Strategic Plan Goals

These recommendations support the Countywide Strategic Plan of Integrated Services Delivery (Goal 3), by seeking private partners to maximize health care delivery prospects to measurably improve client and community healthcare outcomes and leverage resources through the continuous integration of health services.

FISCAL IMPACT/FINANCING

There will be no fiscal impact on the County General Fund at this time. This is a solicitation effort to obtain proposals that will determine developer interest in, and demand for, medical office space in the immediate vicinity of the MLK Medical Campus.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed RFQ seeks to solicit responses from Proposers interested in developing a proposed high quality medical office building to complement and coordinate with the medical services provided at the MLK Community Hospital and the Outpatient Care Center, together with associated parking. Due to County land ownership, the campus does not require approval from local municipalities for the development of hospital or ancillary uses. The selected developer will be expected to pursue any required approvals through the County's Department of Regional Planning and any other department having jurisdiction. Those requirements and other development standards will be established in a long-term Ground Lease to be entered into by the selected Proposer and the County of Los Angeles. The Los Angeles County Board of Supervisors' approval of the Ground Lease, if recommended by the Chief Executive Officer (CEO), will be required.

It is expected that the County, as the fee owner of the Project site, will cooperate with the successful Proposer in applying for any required land use entitlements to implement the Project. The County's proprietary assistance is without prejudice to its ability and obligation to fully exercise its regulatory governmental powers, including without limitation its review of and determination concerning any required entitlements, and the full exercise of its discretion with respect to its compliance with the California Environmental Quality Act (CEQA) prior to its approval of the Project. The selected Proposer will be required to produce an appropriate CEQA document for review and approval by the County in connection with its approval of the Project.

The County will maintain control over the RFQ/Request for Proposals (RFP) process by reserving the right to, among other things: (1) amend or withdraw the RFQ or RFP, or withdraw at any time

from this process with no recourse for any Proposer; or 2) choose or reject any or all proposals received in response to the RFQ and/or RFP. See attached Request for Qualifications.

Pursuant to Government Code Section 25515, et seq., the Legislature has found that the provision for residential, commercial, industrial, and cultural development of public property owned by counties constitutes a valid public purpose and authorizes such development. Government Code Section 25515.2 requires that the Board adopt a resolution declaring its intention to consider development proposals on County property and fixing a time not less than 60 days thereafter for a public meeting of the Board for the purpose of receiving proposals.

ENVIRONMENTAL DOCUMENTATION

Approval of the recommended action is not a project pursuant to the CEQA because it is an activity that is excluded from the definition of project by Section 15378(b) of the State CEQA Guidelines. The proposed action is an administrative activity of government, which will not result in direct or indirect physical changes to the environment. In October, 2011, the Board certified an Environmental Impact Report (EIR) and conceptually approved the build out of the Tier II MLK Medical Center Campus Project. In January, 2013, the Board found the MLK Medical Center Campus Master Plan to be within the scope of the Tier II project analyzed in the certified programmatic EIR. Any further necessary documentation under CEQA required for approval of the proposed long-term ground term lease with the selected proposer will be submitted to the Board for consideration along with further recommended CEQA findings as necessary, upon recommendation of project approval.

CONTRACTING PROCESS

The CEO will solicit responses to the RFQ and appoint an Evaluation Committee to: a) evaluate any and all responses received in conformance with the RFQ; and b) recommend a short list of responsive Proposers to the CEO who will determine in his sole and absolute discretion, which responsive Proposers, if any, are best qualified to receive an invitation to respond to an RFP. The CEO will then issue an RFP soliciting proposals from the invited Proposers, to be submitted by the date fixed in the attached Resolution. The CEO will evaluate proposals responsive to the RFP, and then may select a Proposer or Proposers to recommend to the Board for exclusive negotiations with the County for a long-term ground lease. Following such negotiations, if successful, CEO will return to the Board with a recommendation to enter into a ground lease with the recommended Proposer or Proposers.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There is no impact on other current services or projects. Any future development will replace employee and/or public parking on the campus.

CONCLUSION

Please return one adopted copy of this Board letter and the executed Resolution to the Chief Executive Office, Facilities and Asset Management Division.

The Honorable Board of Supervisors

8/19/2014

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Respectfully submitted,

A handwritten signature in black ink, appearing to read 'W. T. Fujioka', with a long horizontal line extending to the right.

WILLIAM T FUJIOKA

Chief Executive Officer

WTF:SHK:DJT

SW:rp

Enclosures

c: Executive Office, Board of Supervisors
County Counsel

**RESOLUTION AND NOTICE OF INTENTION TO SOLICIT PROPOSALS FOR THE
DEVELOPMENT OF A MEDICAL OFFICE BUILDING AT
THE MARTIN LUTHER KING JR. MEDICAL CENTER CAMPUS
LOS ANGELES, CALIFORNIA
WILLOWBROOK COMMUNITY**

WHEREAS, pursuant to Government Code section 25515, the Legislature has found that counties are faced with critical revenue shortages and a need for additional revenue sources to provide basic and essential public services, and that counties own property which, if permitted to be developed by a joint venture agreement between private enterprise and commercial, industrial, and cultural uses, would provide a means to produce additional revenue sources for the benefit of counties owning such property, and aid the economic well-being of the State generally, and, further, that due to reductions in personnel or programs counties own or lease properties which are totally or partially vacant but which could be used by compatible private persons, firms or corporations through lease arrangements or joint venture developments which would generate revenue and that, therefore, the Legislature has found that the provisions for residential, commercial, industrial, and cultural development of public property owned by counties constitutes a valid public purpose; and

WHEREAS, the County of Los Angeles ("County") desires to solicit proposals from developers interested in developing an approximately 50,000 square foot medical office building on the Martin Luther King Jr. Medical Campus in the unincorporated community of Willowbrook; and

WHEREAS, the Board of Supervisors of the County has found that the public interest and welfare will be served by the solicitation of proposals for the Project; and

WHEREAS, pursuant to Government Code section 25515, *et seq.*, the County desires to engage in a two-step process by first soliciting responses to a request for qualifications ("RFQ") from developers, and then by allowing selected developers determined to have the appropriate qualifications by the Chief Executive Officer ("CEO") to respond to a request for proposals ("RFP"), with proposals responsive to the RFP to be received at the public meeting identified below; and

WHEREAS, proposals responsive to the RFP, if received, will be evaluated by the County, and considered by the Board of Supervisors after recommendation by the CEO to enter into exclusive negotiations with a proposer or proposers.

NOW THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Los Angeles, as follows:

1. It is the intention of the County to consider proposals for the development of an approximately 50,000 square foot medical office building on the Martin Luther King Jr. Medical Campus in the unincorporated community of Willowbrook.

2. An RFQ has been prepared by the CEO for the solicitation of responses from interested and qualified developers for the proposed development of the Project based upon the criteria set forth in the RFQ.

3. The RFQ documents will be available from the offices of Estolano LeSar Perez Advisors (510 W. 6th Street, Suite 1100, Los Angeles, CA 90014) and online at mlkmob.wordpress.com. It will be made available to any and all prospective developers prior to the date of an optional campus tour set for 2 p.m., on August 28, 2014, at 11833 S. Wilmington Ave., Los Angeles, CA 90059, in the unincorporated community of Willowbrook.

4. Responses to the RFQ shall be due by October 17, 2014, at the offices of the County of Los Angeles Chief Executive Office, Capital Projects Division, Attn: Sabra White, 500 West Temple Street, Room 754, California 90012, or on such alternate date and at such alternate location as set by the Chief Executive Officer in accordance with the RFQ.

5. The CEO is authorized to evaluate any and all responses received in conformance with the RFQ and to determine, in their sole and absolute discretion, which responsive developers, if any, are qualified to receive an invitation to respond to the RFP.

6. The CEO is authorized to issue an RFP for the Project soliciting proposals from those responsive developers determined by the CEO to be qualified, not less than 60 days prior to March 31, 2015, the public meeting date established by the Board to receive proposals responsive to the RFP. Proposals must be submitted no later than 9:30 a.m. County of Los Angeles Chief Executive Office, Capital Projects Division, Attn: Sabra White, 500 West Temple Street, Room 754, California 90012.

7. Authority to enter into exclusive negotiations with a proposer or proposers may be made at any meeting of the Board of Supervisors upon joint recommendation of the CEO, after receipt of said proposals.

8. No oral responses to the RFQ or oral proposals in response to the RFP will be considered by the County.

9. The County reserves the unqualified right, in its sole and absolute discretion at any time: (1) to amend or withdraw the RFQ or the RFP or to withdraw at any time from this process with no recourse for any proposer; (2) to choose or reject any or all proposals received in response to the RFQ and/or the RFP in its sole and subjective discretion; (3) to modify the response deadlines; (4) to conduct further due diligence with one or more proposers or any third party; (5) to modify County's objectives or the scope of the Project; (6) to issue subsequent RFQs and/or RFPs for the same property, or variations or components thereof; (7) to disqualify any developer on the basis of any real or perceived conflict of interest that is disclosed or revealed by responses submitted or by any data available to County; (8) to proceed with that proposal modified proposal, if any, which in its judgment will,

under the circumstances, best serve County's objectives; (9) to waive minor deficiencies, informalities and/or irregularities in the proposals or compliance by proposers with requirements for submission of proposals; and/or (10) to determine not to proceed with the Project, either on the basis of an evaluation of the factors listed in the RFQ and or RFP, including the County's full exercise of its governmental powers in its review of and/ determinations concerning any required entitlements, and the full exercise of its discretion with respect to its compliance with the California Environmental Quality Act prior to its approval of the Project, or for another reason, or for no reason, including but not limited to the convenience of the County. Notwithstanding a recommendation of a department, agency, individual, or other, the Board of Supervisors retains the right to exercise its judgment concerning the selection of a proposal and the terms of any resultant agreement, and to determine which proposal best serves the interests of the County. The Board of Supervisors is the ultimate decision-making body that makes the final determination necessary to arrive at a decision to award, or not award, a lease or other agreement.

The foregoing resolution was, on the ____ day of _____, 2014, adopted by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

SACHI A. HAMAI, Executive Officer,
Board of Supervisors of the County
of Los Angeles

By _____
Deputy

APPROVED AS TO FORM:

RICHARD D. WEISS
Acting County Counsel

By 
Senior Deputy County Counsel

Request for Qualifications
Martin Luther King, Jr. Medical Center Campus
Medical Office Building
Development Services

Issued: August 19, 2014
Due Date: October 17, 2014

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Executive Summary

Development Opportunity

The County of Los Angeles is soliciting qualified developers to construct a proposed approximately 50,000 square foot medical office building on the Martin Luther King Jr. Medical Campus in the unincorporated community of Willowbrook. The proposed project should include facilities that can support a variety of medical uses, including space for primary care and specialty physicians, labs, outpatient testing, physical therapy, durable medical equipment, chronic care treatment facilities (such as dialysis), and other health related services that would operate in coordination with the new Martin Luther King, Jr. Community Hospital and the new MLK Outpatient Center.

Submission Process

Proposers should download the Request for Qualifications Package from the following website: <http://mlkmob.wordpress.com/>

There will be an optional walk-through tour of the site on September 10, 2014 from 2:00 to 3:00 p.m. The tour will start at the Martin Luther King, Jr. Center for Public Health at 11833 S. Wilmington Avenue, Los Angeles, CA, 90059.

Responses (seven hard copies and one electronic copy) must be submitted no later than 5:00 p.m. PDT on October 17, 2014 to County of Los Angeles Chief Executive Office, 500 West Temple Street, 7th Floor, Los Angeles, California 90012, Attn: Sabra White. Electronic copies should be sent to the following email address: swhite@ceo.lacounty.gov.

The County will select a short list of respondents. Those shortlisted will be asked to respond to a Request for Proposals. The County will select from the RFP responses a Development Team with which to negotiate a ground lease agreement.

Submission Requirements

Responses must include a cover letter; a narrative that identifies the development team including resumes of key members; examples of relevant projects; a statement of financial capability including banking references; discussion of a proposed development strategy, including the overall approach, market and financial feasibility, proposed development execution plan, and timeline; and a strategy for collaboration with the County of Los Angeles and the Martin Luther King, Jr. Community Hospital.

Selection Process

The selection of the short list will be based on the development team's experience, development strategy, and financial capacity. The County anticipates selecting the short list within 45 days after the submission date.

1. Proposed Project Description

1.1 Introduction

The County of Los Angeles (“County”) has issued this Request for Qualifications (“RFQ”) to solicit responses from developers/development teams (“Development Teams” or “Proposers”) interested in developing a proposed Class A medical office building (“Project”) to be located on the new Martin Luther King, Jr. Medical Campus (“Medical Campus”) in Willowbrook, a community in unincorporated Los Angeles County.

The proposed Project, an approximately 50,000 square foot medical office building, would be built at the site of the Genesis trailer, located at the southwest corner of East 120th Street and South Wilmington Avenue. Because the property is owned by the County, the developer would enter into a Ground Lease Agreement with the County of Los Angeles to develop the Project on the existing site. Approval of the proposed Project and lease would be subject to consideration and approval by the County of Los Angeles Board of Supervisors.

The proposed Project should include facilities that can support a variety of medical uses, including space for primary care and specialty physicians, labs, outpatient testing, physical therapy, durable medical equipment, chronic care treatment facilities (such as dialysis), and other health related services that will operate in coordination with the new Martin Luther King, Jr. Community Hospital (“MLK Community Hospital”) and the new “MLK Outpatient Center.”

It is required that the proposed Project will be scheduled for completion no later than January 1, 2017.

1.2 Site Description

1.2.1 MLK Medical Campus & Master Plan

The proposed Project would be located within the larger MLK Medical Campus. The Medical Campus is a 42-acre site in the unincorporated community of Willowbrook, within the County of Los Angeles. Currently, the Medical Campus is home to several outpatient and preventative healthcare facilities. In Spring 2014, the County-operated MLK Outpatient Center will be relocated to a new site on the Medical Campus. In 2015, the new MLK Community Hospital will offer inpatient services.

The Medical Campus land is owned by the County of Los Angeles and a portion of the property would be leased to the Martin Luther King, Jr. Los Angeles Healthcare Corporation (“MLK-LA”) to accommodate the new MLK Community Hospital’s inpatient tower. The “MLK Medical Center Campus Master Plan & The Willowbrook MLK Wellness Community Vision” ([“Master Plan”](#)) will guide the development of the 42-acre Medical Campus. The document also provides an outline of proposed development activity for the larger 124-acre study area around the Medical Campus.

A central fixture of the Medical Campus will be the new MLK Community Hospital. The hospital is a private hospital governed and operated by MLK-LA. The hospital is expected to open in Spring 2015, offering inpatient care, basic emergency services, health education, and community outreach services. The Medical Campus also includes County-operated facilities that provide outpatient and public health services. The MLK Outpatient Center provides a range of services, including general medicine, cardiology, dermatology, dentistry, geriatrics, HIV and AIDS treatment services, neurology, orthopedics and physical therapy, and mental health services. In addition, the MLK Center for Public Health provides the community with public health services such as immunizations, testing and treatment for tuberculosis and sexually transmitted diseases, case management, and health promotion programming.

The Medical Campus will serve over one million residents and, at full build-out as proposed, the Master Plan contemplates nearly 1.6 million square feet of medical, residential, medical office, research and development, office, community, and health-related retail spaces.

1.2.2 MLK Community Hospital & Medical Campus Services

When it opens in 2015, the MLK Community Hospital will directly employ 700 workers at the facility. The expected service mix for the hospital includes the following:

- Anesthesiology
- Cardiology
- Emergency Services
- Endocrinology
- Gastroenterology
- General Medicine
- Gynecology
- General Surgery
- Neurology
- Obstetrics
- Oncology
- Ophthalmology
- Orthopedics, including spine
- Otolaryngology
- Pathology
- Radiology
- Reconstructive Surgery
- Pulmonary Medicine
- Urology

The existing MLK Outpatient Center will move to a new building alongside the new hospital on the Medical Campus in Summer 2014. The MLK Outpatient Center is a County-operated facility offering outpatient services including general medicine, cardiology, dermatology, dentistry, geriatrics, HIV and AIDS, neurology, and orthopedics and physical therapy. Mental health services are provided by the Department of Mental Health at the adjacent Augustus Hawkins Mental Health Center. In addition to the MLK Outpatient Center, the County-operated MLK Center for Public Health, located north of 120th Street, currently focuses on providing public health services.

The Medical Campus will serve Service Planning Area 6, which includes the communities of Athens, Compton, Crenshaw, Florence, Hyde Park, Lynwood, Paramount, Watts, and Willowbrook. This area has a significant need for new and improved healthcare facilities and

services. Based on a Physician Needs Analysis conducted by The Camden Group in 2012, the following healthcare services are needed in the area:

- Primary Care (i.e., Family Practice, Internal Medicine, and Pediatrics)
- Allergy & Immunology
- Cardiology
- Dermatology
- Endocrinology
- Gastroenterology
- Hematology & Oncology
- Infectious Disease
- Neurology
- Physical Medicine & Rehab
- Psychiatry
- Pulmonary Disease
- Radiation Oncology
- Obstetrics & Gynecology
- Ophthalmology
- Oral & Maxillofacial Surgery
- Orthopedics
- Otorhinolaryngology
- Plastic Surgery
- Urology

The Master Plan includes a preliminary program for the complete build-out of the Medical Campus. This program calls for the following (note that all figures are approximate):

- 535,000 square feet of medical buildings (behavioral health, inpatient services, outpatient services, and clinics)
- 354,000 square feet of residential buildings (skilled nursing, assisted living, and senior living facilities)
- 100,000 square feet of research & development space
- **125,000 square feet of medical office space**
- 11,000 square feet for support buildings
- 6,000 square feet for community development
- 5,000 square feet for health related retail

The medical office building as proposed may house the following uses:

Ground Floor:

- Primary care (family practice/internal medicine)
- Child care
- Hospital education and training space
- Pharmacy
- Home health, durable medical equipment, hospice

Upper Floors:

Surgical Subspecialists

- Orthopedics
- General surgery

- Obstetrics/gynecology
- Urology

Medical Subspecialists

- Cardiology
- Nephrology
- Infectious Diseases
- Otolaryngology
- Gastroenterology
- Ophthalmology
- Rheumatology
- Dermatology
- Pulmonology
- Podiatry
- Hematology/Oncology
- Perinatology/Neonatology
- Administrative offices for Hospital Based Groups:
 - Valley Emergency Physicians
 - UCLA Anesthesia, Radiology, Pathology
 - Eisner Family and Pediatric Medical Group
 - Intercede Hospitalists/Intensivists

The selected Development Team will need to complete an independent market study to determine demand for medical office space in the immediate vicinity. The presumed mix of tenants for the proposed project will be derived from uses generated by the MLK Community Hospital, be compatible with the outpatient services provided at the MLK Outpatient Center and MLK Center for Public Health, and fill service deficits highlighted in the Physician Needs Analysis report.

1.3 County Objectives

1.3.1 Development Objectives

The County has two principal development objectives:

- (1) Equip the MLK Medical Campus with facilities that support planned and existing inpatient and outpatient services provided at the new MLK Community Hospital and the MLK Outpatient Center.
- (2) Provide patients with an integrated system of care that guides and tracks patients over time through a comprehensive array of health services.

1.3.2 Objectives of the RFQ

This RFQ requests that each Proposer: (1) describe its approach to the proposed Project; (2) explain its relevant experience as a Development Team; (3) detail prior collaborative experience

of team members; and (4) explain the management control, financial, and other decision-making processes of its team.

The County does not expect a final development or design solution for the proposed Project as a response to the RFQ. Rather, it seeks to understand the reasoning and analysis relating to the proposed Project, the methodology that the Development Team will use to create a concept, any recommendations as to the highest-and-best uses for the proposed Project, and the proposed financial structure of the transaction.

The County will evaluate, in its sole and absolute discretion, each response based on the firm's qualifications, financial qualifications, and track record of the Development Team. The County will also evaluate the Development Team's demonstrated capabilities in executing projects of this type and magnitude, and the quality of the Team's proposed development strategy.

1.4 Entitlements

Due to the location of the Project site in the unincorporated County of Los Angeles, the development of hospital or ancillary uses will be subject to the County of Los Angeles' land use and entitlement process. Planning and development standards will be established in a proposed long-term Ground Lease with the County of Los Angeles. The Los Angeles County Board of Supervisors' approval of the proposed Ground Lease will be required.

The County, as the fee owner of the Project site, may join the successful Proposer in applying for any required land use entitlements to implement the proposed Project. The County's proprietary assistance is without prejudice to its ability and obligation to fully exercise its regulatory governmental powers, including without limitation its review of and determination concerning any required entitlements, and the full exercise of its discretion with respect to its compliance with the California Environmental Quality Act (CEQA) prior to its approval of the Project. The selected Proposer will be required to produce an appropriate CEQA document for review and approval by the County in connection with its approval of the Project.

In 2011, the Board of Supervisors certified a programmatic Environmental Impact Report (EIR) for the Campus Redevelopment Project Master Plan. In January, 2013, the Board of Supervisors found the Martin Luther King, Jr. Medical Center Campus Master Plan to be within the scope of the previously conceptually approved Campus Redevelopment project. The Master Plan EIR analyzed the impacts of approximately 1.6 million square feet of development on the MLK Medical Campus, including 125,000 square feet of medical office space. The proposed 50,000 square foot medical office building contemplated in this RFQ must remain fits within the development envelope analyzed by the programmatic Master Plan EIR. (You may want to mention that the developer should include recommendation for any further project level environmental documentation that would be required in order for approval of the Proposed medical office building contemplated in this RFQ)

By seeking proposals under this RFQ, the County does not commit to or otherwise endorse, authorize or approve any specific project. Any future recommendations on proposed

development at the site remain subject to the Board's sole discretion to disapprove or modify a project which may be proposed and to approve applicable feasible project mitigation measures and alternatives. Nothing precludes the County from denying any future development project on the site. Authorization of any future project activities and implementation of any project construction would only commence in compliance with CEQA and other applicable environmental documentation requirements.

1.5 Key Issues

1.5.1 Project Tenants

The selected Proposer will work with MLK Community Hospital, the MLK Outpatient Center, the MLK Center for Public Health, and the County Department of Health Services to determine the exact tenant mix for the proposed Project. Discussions are currently underway to identify a major tenant for the proposed facility. However, additional study may be required to determine the most feasible tenant mix based on the services provided on the Medical Campus and any service deficiencies identified by the aforementioned entities.

1.5.2 Parking

The Proposer should describe a strategy to provide appropriate parking for the Project, including an explanation of how the cost of providing the parking will be financed.

1.5.3 Design Specifications

The design of the proposed new facilities will be required to maintain consistency with the new buildings (i.e., the Martin Luther King, Jr. Community Hospital inpatient tower and the new MLK Outpatient Center building) on the MLK Medical Center campus and final design plans must be approved by the County of Los Angeles. The proposed Project must be a Class A medical office building and meet LEED Silver certification standards at a minimum. The proposed Project must meet California energy efficiency requirements and comply with the Americans with Disabilities Act.

1.5.4 Prevailing Wage, Living Wage, and Local Hire Requirements

The selected Proposer will be required to meet County standards and comply with all applicable laws, including without limitation those pertaining to prevailing wage, living wage, and local hire requirements.

1.6 Transaction Structure

The County would only recommend consideration to the Board of Supervisors that it enter into an unsubordinated ground lease. The proposed ground lease will be made on an "AS-IS, WHERE-IS WITH ALL FAULTS" basis. The County would not subordinate its fee interest on ground rental payments, but assuming a project is approved, the County is motivated to negotiate favorable lease terms to achieve the development of a quality medical office facility. The County would anticipate entering into a long-term ground lease with the selected proposer,

with proposer to operate and maintain the building during the lease term subject to Board approval.

1.7 Master Tenant

Martin Luther King, Jr. Community Hospital anticipates identifying a proposed master tenant by the fall of 2014. More information will be made available during the RFP process.

1.8 Utilities

The proposed Project would be required to secure its own power source and utilities for the project.

2. Submission Procedures

2.1 Submission Format & Schedule

Proposers are requested to submit five (7) hard copies of the response to RFQ and one (1) electronic copy in PDF format to the Chief Executive Office of the County of Los Angeles at the address indicated below no later than 5:00 p.m. on Friday, October 17, 2014. All supporting materials and documentation should be included in the response package. Once all submissions are reviewed, the County of Los Angeles will select firms to be short-listed for a potential RFP process. The County will notify the selected firms by November 19, 2014.

Send responses to: Sabra White
County of Los Angeles
Chief Executive Office
500 West Temple Street, 7th Floor
Los Angeles, California 90012
swhite@ceo.lacounty.gov (for the electronic submittal)

2.2 Walk-Through Tour

The County of Los Angeles has scheduled a walk-through tour of the existing facilities and property on Wednesday, September 10, 2014 from 2:00 p.m. – 3:00 p.m. Please email Richard France of ELP Advisors at richard@elpadvisors.com no later than Tuesday, September 9, 2014 to RSVP for the tour and to receive additional details. Attendance is not a requirement for submission, but is strongly encouraged. Additional pertinent project information is available at the Project website: www.mlkmb.wordpress.com.

2.3 Questions & Clarifications

All questions regarding the RFQ and the Project should be directed to Richard France of ELP Advisors no later than Friday, September 12, 2014 via email to richard@elpadvisors.com. All requests and/or questions and their responses will be shared with Proposers who attend the walk-through tour. If you wish to receive correspondence related to this RFQ via email but are unable to participate in the walk-through tour, please email richard@elpadvisors.com.

Please do not direct communications regarding this RFQ to any County of Los Angeles or MLK Community Hospital employees or other related organizations. In addition, do not make any contact with any governmental agencies without first obtaining permission from ELP Advisors. The County retains the right to disqualify any Proposer that contacts any of these individuals or organizations concerning this RFQ.

2.4 Schedule

The following is a summary of major milestones in the RFQ submission process:

Tuesday, September 9, 2014

Deadline to RSVP for walk-through tour of existing Medical Campus facilities

Wednesday September 10, 2014

Walk-through tour of existing Medical Campus facilities

Friday, September 12, 2014

Deadline to submit questions regarding the RFQ and the Project

Monday, September 22, 2014

Responses to the questions will be posted to the project website

Friday, October 17, 2014

Deadline to submit responses to the RFQ no later than 5:00 p.m.

3. Required Submission Package

To be considered under this RFQ solicitation, Proposers must submit the following (the "RFQ Package") in accordance with the requirements of this RFQ:

3.1 Cover Letter

The cover letter shall bear the signature of a duly authorized officer, manager, or partner of the proposing entity that will serve as the principal for the project. The proposal cover letter shall clearly identify the person or persons authorized to represent the Proposer, including contact information. There shall also be an acknowledgement of the notice regarding the California Public Records Act, as shown in Attachment #1.

3.2 Development Team

3.2.1 Legal Entity

Identify the legal entity that will serve as the principal of the Project and provide a brief history of that entity and the parent company, if applicable. If a joint venture is proposed, specify percentage of ownership of each entity and describe financial, liability-related, and other decision-making relationships.

3.2.2 Project Team Key Members

Provide in-depth resumes of each key Project team member (including key consultants such as architects, engineers, legal counsel, etc.) and describe each one's relevant skills, project experience, and accomplishments.

3.2.3 Experience and Qualifications of Development Team

Provide a list of similar development projects in which the Proposer and proposed associates have participated. Describe the relationships to these projects (i.e., developed, owned, operated, or managed) and show the location, cost and scale, type and dollar volume of the work. Identify which of the listed similar projects have been successfully completed (with completion date), and which have been completed over and under budget. Include photographs or renderings of these projects.

Describe experience in ownership and management of completed development projects, including similar managed properties, indicating scale, type, and dollar volume of the managed development.

Describe experience working or partnering with public agencies on other, similar development projects.

For each project or relevant experience, provide a name and phone number of a contact person familiar with your project.

3.3 Evidence of Financial Capability

The RFQ submittal must include information that will enable the County to discern the financial resources available to the Development Team. Such information should help the County determine whether the Proposers have the financial ability to deliver the Project. Proposers must submit adequate information that fully demonstrates their financial capacity and readiness to develop the Project. Documentation may include recent financial statements, names and addresses of banks and/or other financial institutions that can serve as references, copies of annual reports (if available), financial rating reports, or other documents indicating the financial condition of the Proposer.

3.4 Development Strategy

Proposer shall submit a narrative that addresses the items detailed in the following outline. The narrative should enable the County to understand the Proposer's approach to ensuring that the proposed Project is developed in a manner that supports the surrounding Medical Campus. The narrative should also give an overview of the development process and highlight any challenges that the Proposer anticipates.

3.4.1 Overall Approach

This section should include:

- (1) A statement of the Development Team's understanding of the Project site, including its strengths, weaknesses, opportunities, and constraints; the relationship of the Project to surrounding uses; and the role of this Project in supporting the Medical Campus and the broader Willowbrook community.
- (2) A description of the Proposer's vision and goals for this development.

3.4.2 Market Feasibility

This section should include:

- (1) The Proposer's view of the market feasibility of the Project in general economic terms and specific keys to success to attract a variety of tenants, including potential concerns or issues related to the County's objectives for development of the property.
- (2) The Proposer's view of market premiums associated with the Proposer's development concept.
- (3) The market interaction of the proposed Project with the existing and proposed healthcare service mix on the Medical Campus and in the surrounding community. For purposes of the RFQ, responses need not incorporate detailed and comprehensive market research, although such research may be required at a later date.

3.4.3 Development Execution

This section should include:

- (1) The development process envisioned, including a description of critical milestones anticipated through the completion of construction. Ideally, this will include a timeline from selection through completion of construction.
- (2) Identification of the most important development challenges and how they will be addressed.
- (3) Discussion of approach to working with MLK Community Hospital and the County Department of Health Services to ensure that the proposed Project is supporting the existing and planned facilities at the Medical Campus.

4. Selection Process

All RFQ Packages submitted in a timely manner in response to this RFQ will be reviewed and evaluated based on the information contained in the respective proposals. The County reserves the right to request additional information from Proposers as deemed necessary and appropriate by the County and to solicit additional information regarding each or any proposal and Development Team or individual members thereof from third parties other than those provided as references by the Proposers. The County reserves the right, in its sole discretion, to reject any RFQ Package that is determined to be inadequate, incomplete, non-responsive, or untimely.

4.1 Three-Step Process

The selection of a developer for the proposed Project will be conducted in a three-step process:

First Step: RFQ Packages will be reviewed for their relative strengths and weaknesses based on the submission requirements. Each Development Team will be considered on its merits. The selection process may include interviews of the Proposers. An Evaluation Committee will recommend a short list of Proposers to the County CEO, who will make the final determination regarding which Proposers will have the opportunity to respond to the RFP.

Second Step: Short-listed Proposers will be asked to respond to a detailed RFP and provide a development plan for the Project and a financial pro forma.

Third Step: The Evaluation Committee will evaluate proposals submitted in response to the RFP and make a recommendation to the County CEO regarding the proposals submitted. The CEO will, in turn, make a recommendation to the Board of Supervisors, which will make the final determination whether to go forward with the Project and, if so, which Proposer to select.

4.2 RFQ Short List

The County expects to conduct interviews with some or all Proposers prior to determining the short list. Proposers may also, at the discretion of the County, be required to respond in writing to questions or clarifications requested by the County. Following analysis of the foregoing, the County may make a decision to reject all proposals, to terminate the RFQ, or to select a short list to continue to a second stage evaluation. All Proposers will be notified in writing of the County's decisions. The County anticipates selecting the short list within 45 days after the Due Date for submission in response to the RFQ.

The selection of the short list will include consideration of the following elements of the responses:

4.2.1 Proposer Experience

An Evaluation Committee will evaluate the combined experience of the Proposed Development Team in completing and operating medical office developments of similar size and scope. The evaluation will also include the experience of the Development Team members in working together on projects similar to the Project proposed in the RFQ, particularly in California and working in collaboration with a governmental entity.

4.2.2 Development Strategy

The proposed Development Team will be evaluated based upon its overall development approach, including the Proposers discussion of market feasibility and the proposed development execution.

4.3 Request for Proposals (RFP)

The short list of Proposers may be invited to respond to an RFP. The County will require more specific information from the selected Proposers about the proposed development strategy, the Development Team's financial and development capacity, and may require written response to questions, oral interviews, and/or presentations to the County. Further information regarding RFP submittals will be contained in the RFP.

4.4 Exclusive Negotiations

The County's election to negotiate in its sole discretion with one or more of the Proposers, and the issuance of this RFQ or the subsequent RFP, should not be interpreted to suggest that the County will enter into exclusive negotiations with any single Proposer. The County does, however, retain the right in its sole discretion to enter into such exclusive negotiations with any one of the Proposers.

4.5 General Rights of County

The County reserves the unqualified right, in its sole and absolute discretion at any time: (1) to amend or withdraw this RFQ, or the subsequent RFP, or to withdraw from this process with no recourse for any Proposer; (2) to choose or reject any or all proposals received in response to this RFQ and the subsequent RFP in its sole and subjective discretion; (3) to modify the response deadlines; (4) to conduct further due diligence with one or more Proposers or any third party; (5) to modify the County's objectives or the scope of the proposed Project; (6) to issue subsequent RFQs and/or RFPs for the same property, or variations, or components thereof; (7) to disqualify any Development Team on the basis of any real or perceived conflict of interest that is disclosed or revealed by responses submitted or by any data available to the County; (8) to proceed with that proposal or modified proposal, if any, which in its judgment will, under the circumstances, best serve the County's objectives; (9) to waive minor deficiencies, informalities and/or irregularities in the proposals or compliance by the Proposers with requirements for submission of proposals; and/or (10) to determine not to proceed with the proposed Project, either on the basis of an evaluation of the factors listed in this RFQ, including without limitation the County's full exercise of its governmental powers in its review of and determinations

concerning any required entitlements, and the full exercise of its discretion with respect to its compliance with the California Environmental Quality Act prior to its approval of the proposed Project, or for another reason, or for no reason, including but not limited to the convenience of the County. Notwithstanding a recommendation of a department, agency, individual, or other, the Board of Supervisors retains the right to exercise its judgment concerning the selection of a proposal and the terms of any resultant agreement, and to determine which proposal best serves the interests of the County. The Board is the ultimate decision-making body and makes the final determination necessary to arrive at a decision to award, or not to award, a lease or other agreement. No representation of any County official, employee or agent shall be binding on the County. Only the Board of Supervisors can legally bind the County.

4.6 Amendments

No oral amendments of the RFQ are authorized and only the County has the right to amend the RFQ by written addendum. The County will not be bound by any oral statements or modifications. If this RFQ is amended, all terms and conditions which are not modified shall remain unchanged. Each Proposer shall acknowledge receipt of each amendment to this solicitation in writing by including a statement to such effect in its proposal.

4.7 No Liability for Proposal Costs

The County reserves the right to reject any or all applications and is not liable to pay or reimburse any costs incurred by the Proposers in the development, submission or review of the RFQ Packages, including, without limitation, all costs incurred by Proposers in their responses to this RFQ, in response to any request for information made by the County throughout the selection process, in submitting such proposals to the County, in negotiating with the County on any matter related to this RFQ or such Proposer's proposal, or otherwise, unless specifically agreed to in writing by the County.

4.8 RFQ Not a Commitment

This RFQ is not a contract offer, a request for technical services, or an agreement to construct any project that may be proposed or otherwise submitted and does not commit the County to enter into any agreement, development agreement, or any other agreement (exclusive or otherwise), or to accept any part of any proposal, including, without limitation, a selected proposal, or to pay any costs incurred in the submission of any proposal. By submitting its RFQ Package each Proposer agrees that the County has the right, in its sole and absolute discretion, to use ideas suggested by any particular Proposer, regardless of whether the County selects that Proposer to be the developer of this Project. Should this process result in an exclusive negotiation agreement, the execution of such agreement does not constitute a contract, agreement, or promise that such agreement will lead to a ground lease or that the County will agree to build or have built any proposed project or projects.

4.9 Accuracy of Information

It is the responsibility of the recipient of this RFQ to assure itself that information contained herein, including that made available in Attachments or enclosures to this RFQ, is accurate and complete; the County provides no warranties, guarantees, or assurance in that regard.

4.10 No Brokerage Fees to be Paid by County

The County will not pay brokerage fees to or on behalf of any party in connection with this RFQ solicitation.

4.11 Disqualification Review

If an RFQ Package is disqualified due to non-responsiveness, the County shall notify the Proposer in writing and the Proposer may submit a written request for a disqualification review by the date specified in the notice. Requests for a disqualification review not timely submitted will be denied. A disqualification review shall only be granted if the person or firm requesting the review submitted an RFQ Package, the request is submitted in a timely manner, and the request asserts that the disqualification determination was erroneous and provides actual support on each ground asserted as well as copies of all documents and other materials that support the assertions. The disqualification review shall be completed and a determination provided to the Proposer, in writing, prior to the conclusion of the RFQ evaluation process.